



January 14, 2015

Item No. 5

**AUTHORIZATION TO EXECUTE CONTRACT WITH GREATER ILLINOIS TITLE COMPANY
FOR CONSTRUCTION ESCROW SERVICES**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Greater Illinois Title Company for an amount not-to-exceed \$600,000 for a two (2) year base period with three (3) one-year options.

The Deputy Chief of the Capital Construction Department, the Office of the General Counsel, and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommends approval of this item accordingly.

CORPORATE GOAL 1: Strategy 1: To meet the 25,000 unit commitment and complete the Plan for Transformation.

CORPORATE GOAL 2: Ensure that the Chicago Housing Authority's portfolio is safe, decent and sustainable.

FUNDING: Capital Fund

SOLICITATION SUMMARY

Request for Proposal No.: RFP #26

Vender: Greater Illinois Title Company
120 N LaSalle St.
Chicago, IL

Contract Type:

Professional Services

Contract Amount: N-T-E \$600,000

2 Year Base: \$240,000

Option Years: \$360,000

Option Periods: 3, 1-year options

Publications: Chicago Sun-Times, Defender,
Extra, CHA website, BuySpeed

Vendor List: 43

Pick-Up List: 0

Solicitation Release Date:

September 17, 2014

Days Advertised: 30 Days

Pre-Proposal Date: September 26, 2014

Solicitation Due Date: October 21, 2014

Assist Agencies: 71

Respondents: 1

M/W/DBE Respondents: 0

<u>COMPLIANCE INFORMATION</u>	New Hires Needed	Required	Proposed
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M/W/DBE Participation		\$XXX,XXX (20%)	\$XXX,XXX (XX%)
Section 3 Hiring No. (30% of new hires)	0	0	0
Section 3 Business Concern		\$ XX,XXX.XX (3%)	Other Economic Opportunity
- Other Economic Opportunity			

GENERAL BACKGROUND /EXPLANATION

Currently, contractors and their sub-contractors must provide signed waivers in order for payment to be made by the CHA to the prime contractor. Once payment is received, the prime contractor then pays its sub-contractors. Payments to a prime contractor can be delayed due to missing waivers and/or non-compliance, etc. The current system may delay complaint sub-contractors on any given payment application because of one non-compliant sub-contractor. To alleviate such delay in payment to complaint subcontractors, CCD seeks to utilize the services of an escrow agent to distribute payments directly to general contractors and their sub-contractors. This change in payment procedures will allow payment to a general contractor's complaint subcontractors, but payment to non-complaint subcontractors and the general contractor will be withheld until they have complied with payment requirements.

The proposed use of escrow services does not change CHA's internal due diligence for approving invoices as money will only be sent to the escrow trustee after all internal approvals are received. Greater Illinois Title Company will facilitate direct payment to contractors and subcontractors.

PROCUREMENT INFORMATION

The CHA advertised RFP No. 14-01369 for Construction Payment Escrow Services on July 10, 2014. The RFP was advertised in the Chicago Sun-Times, Chicago Defender and Extra Newspaper starting on July 10, 2014. Additionally, 71 Assist Agencies, and 186 Section 3 Hires received notification that the solicitation was available for downloading from the CHA Buyspeed portal. CHA also directly solicited 126 firms, posted the solicitation on CHA's website and in Buyspeed. A Pre-Proposal meeting was held on July 17, 2014 with no firms attending. Questions were due July 23, 2014.

Proposals were due August 8, 2014. CHA received no proposals. Since no proposals were received, this procurement was re-advertised. The CHA advertised RFP No. 26 for Construction Payment Escrow Services on September 17, 2014. The RFP was advertised in the Chicago Sun-Times, Chicago Defender and Extra Newspaper starting on September 17, 2014. Additionally, 71 Assist Agencies, and 186 Section 3 Hires received notification that the solicitation was available for downloading from the CHA Supplier Portal. CHA also directly solicited 43 firms, posted the solicitation on CHA's website and in Strategic Sourcing. A pre-proposal meeting was held on September 26, 2014.

On October 21, 2014, CHA received proposals from one (1) firm, Greater Illinois Title Company. An evaluation committee consisting of four (4) members evaluated the proposal. After the

evaluation committee completed its analysis of the proposal, a determination was made that an oral presentation was not required.

Based upon the evaluations of the proposal, and Greater Illinois' best and final offer, it was determined that it was in CHA's best interest to award Greater Illinois Title a two-year base contract with three (3,) one-year options for a full contract value not-to-exceed \$600,000 for construction payment escrow services. This award is subject to the Contractor's compliance with CHA's MBE/WBE/DBE, Section 3, and insurance requirements.

The Deputy Chief of the Capital Construction Department concurs with the recommendation to enter into a contract with Greater Illinois Title Company for Construction Payment Escrow Services.

The CEO recommends approval to enter into a contract with Greater Illinois Title Company for construction escrow services.

RESOLUTION NO. 2015-CHA-5

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 14, 2015 entitled "AUTHORIZATION TO EXECUTE CONTRACT WITH GREATER ILLINOIS TITLE COMPANY FOR CONSTRUCTION ESCROW SERVICES"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Greater Illinois Title Company for an amount not-to-exceed \$600,000 for a two (2) year base term, including three (3), one-year options.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3, and bonding and insurance requirements.



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